

REPORT TO COUNTY COUNCIL

Oxford County Community Housing – Maximum Rent Increase for 2024

To: Warden and Members of County Council

From: Director of Human Services

RECOMMENDATION

1. That County Council approve to increase the maximum rents for all Oxford County Community Housing buildings to the maximum percentage allowable for 2024 of 2.5% as outlined in report HS 2023-18.

REPORT HIGHLIGHTS

- The province has established the rent control guidelines for 2024 at 2.5%, which is the maximum amount a landlord can increase rents in 2024.
- Oxford County Community Housing maximum rents have not been increased since 2012 and are well below current private rental market rents offering deeply affordable rents to residents.
- It is good practice to increase maximum rents annually by the rent control guidelines to establish rents that are competitive with local markets and the potential for additional revenue from rental units to help cover increasing operational costs.
- Oxford County Community Housing units are 100% rent-geared-to-income which means that tenants will never pay more than 30% of their income on rent regardless of the maximum rent amount.

IMPLEMENTATION POINTS

Upon County Council approval of the proposed rent increase for 2024 staff will make the changes in pertinent resources, documents and in our property management system. Tenant rents that would be impacted would be implemented at scheduled annual reviews throughout 2024.

Financial Impact

There will not be any impact to the 2023 budget as the proposed maximum rent increases will be implemented throughout 2024. If County Council approves the rent increase it is anticipated the potential additional rental revenue in 2024 would be approximately \$15,000 that can be used to offset increased costs for the operation of the Oxford County Housing buildings.

Communications




Information about Oxford County rents are posted on the County’s website. Upon County Council approval, documents will be updated and posted on the website, circulated to staff and community partners to make them aware of maximum rent increases for 2024.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
<p>Goal 1.1 – 100% Housed</p> <p>Goal 1.3 – Community health, safety and well-being</p>		

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

The Ministry of Municipal Affairs and Housing releases rent control guidelines each year that prescribes the maximum percentage landlords can increase the rent for a rental unit that is not exempt from rent control or the subject of an above-guideline rent increase application to the Landlord Tenant Board. For 2024, the maximum rent increase has been set at 2.5%, which is well below the average inflation rate of 5.9%. Rent may be increased once every 12 months and must be preceded by a proper written notice that is given a minimum of 90 days in advance of the increase. The rental increase cap does not apply to rental units first occupied after November 15, 2018.

The guideline is based on Ontario's Consumer Price Index, a measure of inflation calculated by Statistics Canada using data that reflects economic conditions over the past year. Under the *Residential Tenancies Act*, the guideline for 2024 is capped at 2.5 per cent to help protect tenants from rising interest rates that would result in higher rent. Without the cap, the recent rate of inflation would have resulted in an increase of 5.9 per cent in 2024.

Oxford County Community Housing units are 100% rent-gear-to-income (RGI) units which means that rents are determined based on a formula capping rents at 30% of income or for social assistance recipients a rent table based on household size determines rental amount. Oxford County units have maximum rents that are well below current private market rents as outlined in Table 1. Maximum rents have not been increased for Oxford County units since 2012.

Comments

Oxford County Community Housing buildings are all 100% RGI, therefore tenants are paying no more than 30% of their income towards rent. The housing portfolio consists of 493 family units and 135 bachelor/1 bedroom units.

Once a year, on a tenants move-in date, their household income is reviewed and – if applicable – adjustments to the tenants rent are applied. This could be either an increase or a decrease depending on the tenant's income, household size or other factors that may be applicable. If there are no changes to the tenant household or income, there are no changes to the rent in those situations.

Table 1 below outlines the current maximum rents for Oxford County Housing buildings and the impact of applying the 2.5% increase to the maximum rents in 2024. Approximately 68 tenants (or 10% of tenants) are paying maximum rent and would potentially see an increase to their monthly rental costs. Increases to RGI tenant rents would be no more than 30% of their total household income.

Social Housing providers such as Oxford County Community Housing are exempt from the rental control guidelines and can implement an above-guideline increase to the maximum rents

by submitting a request to the Landlord and Tenant Board. Applications for above-guidelines increases must be approved by the Landlord and Tenant Board before implementing. It is being proposed to implement the 2.5% increase to the maximum rents for 2024. Social Housing units will typically have rents on the lower side of market rents to offer deeply affordable units to residents who need it. Oxford County Community Housing maximum rents are well below the private market rental rates.

Table 1: Maximum Rents for Oxford County Housing Buildings

Municipality	Unit size	2023 Maximum Rent	2024 Maximum Rents (2.5% increase applied)	Rent includes
Ingersoll	1 bedroom	\$636	\$652	utilities, fridge, stove
	2 bedroom	\$780	\$800	utilities
	3 bedroom	\$867	\$889	utilities
	4 bedroom	\$924	\$947	utilities
Norwich	bachelor	\$494	\$506	utilities, fridge, stove
	1 bedroom	\$636	\$652	utilities, fridge, stove
Tavistock	1 bedroom	\$636	\$652	utilities, fridge, stove
Thamesford	1 bedroom	\$636	\$652	utilities, fridge, stove
Tillsonburg	Bachelor	\$494	\$506	utilities, fridge, stove
	1 bedroom	\$659	\$675	utilities, fridge, stove
	2 bedroom	\$809	\$829	utilities
	3 bedroom	\$895	\$917	utilities
	4 bedroom	\$954	\$978	utilities
Woodstock	Bachelor	\$512	\$525	utilities, fridge, stove

	1 bedroom	\$682	\$699	utilities, fridge, stove
	2 bedroom	\$838	\$859	utilities
	3 bedroom	\$924	\$947	utilities
	4 bedroom	\$983	\$1,008	utilities
	5 bedroom	\$983	\$1,008	utilities

The highest RGI amount a household can be charged for their unit is equivalent to the maximum rent for the unit. A household pays RGI equivalent to the maximum rent when their income increases resulting in an RGI equal to or above the maximum rent.

A household can pay the maximum rent for 24 consecutive months before losing their RGI eligibility. A household paying maximum rent during the 24-month period is still considered to be an RGI household and must comply with all RGI eligibility criteria. The household can receive RGI assistance again if their income decreases during the 24-month period. Once the household continues to pay market rent for 24 consecutive months and the household becomes ineligible for RGI, Oxford County staff must notify the household in writing of their ineligibility for RGI and their right to request a review 90 days before the end of the 24-month period.

The potential of increased revenue from applying the rent increase of 2.5% in 2024 can offset some of the costs for utilities which continue to increase each year. In 2024 budget planning it is projected that the hydro costs will increase by approximately 11.8% (or \$57,000) and heating costs by approximately 6.9% (or \$21,000). While the increase in maximum rents will not cover all of these costs it will be able to offset increases in the expenses for the housing portfolio.

CONCLUSIONS

It is being recommended to apply the 2024 rent control guideline increase of 2.5% to the maximum rent for the Oxford County Community Housing units. It is good practice to implement the rent control guideline each year to support increased operational costs for the housing buildings and to maintain alignment to lower end market rents. Oxford County housing tenants will never pay more than 30% of their income on rent based on the current requirements under the *Housing Services Act*, which maintains ongoing affordability for tenants.

SIGNATURES

Departmental approval:

Original signed by

Kelly Black
Director of Human Services

Approved for submission:

Original signed by

Benjamin R. Addley
Chief Administrative Officer